

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**
Friday, March 4, 2016 – 6:00 p.m. – Room 445 State Capitol

Members Present:

Sen. Lyle W. Hillyard, Co-Chair
Rep. Dean Sanpei, Co-Chair
Sen. Jerry W. Stevenson, Vice Chair
Rep. Brad L. Dee, Vice Chair
Sen. Jim Dabakis
Sen. Gene Davis
Sen. Luz Escamilla
Sen. Peter C. Knudson
Sen. Karen Mayne
President Wayne L. Niederhauser
Sen. Ralph Okerlund
Rep. Patrice M. Arent
Rep. Joel K. Briscoe
Rep. Rebecca Chavez-Houck

Rep. James A. Dunnigan
Rep. Francis D. Gibson
Speaker Gregory H. Hughes
Rep. Brian S. King
Rep. Brad R. Wilson

Members Excused:

Sen. J. Stuart Adams

Staff Present:

Mr. Jonathan Ball, Legislative Fiscal Analyst
Mr. Steven Allred, Deputy Director
Ms. Greta Rodebush, Legislative Secretary
Ms. Karen Mitchell, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.leg.utah.gov.

1. Call to Order/Approval of Minutes

Co-Chair Sanpei called the meeting to order at 6:23 p.m.

MOTION: Sen. Hillyard moved to approve the minutes of February 4, 2016. The motion passed unanimously.

2. Adoption of FY 2016 and 2017 Revenue Estimates

Dr. Andrea Wilko, Chief Economist, LFA, referred to the blue sheet, "[Revenue Estimates – February 2016 \(in Thousands of Dollars\)](#)," behind Tab 2 that details the consensus revenues for February 2016. Page 1 shows the aggregate numbers, and pages 2 and 3 display the crosswalk to available new revenue.

For the 2016 General Session, the available new General Fund/Education Fund revenue is \$150 million one-time and \$400 million ongoing.

MOTION: Sen. Hillyard moved to adopt February 2016 revenue estimates as shown on the blue sheet entitled, "Revenue Estimates - February 2016 (in Thousands of Dollars)" and dated today, March 4, 2016. The motion passed unanimously.

3. FY 2016 and FY 2017 Budget Actions

Sen. Hillyard announced that he would be making several motions and would divide the motions as needed.

MOTION: Sen. Hillyard moved to:

- 1) approve the motions for appropriations subcommittees' fees, intent language, and budgets as shown in the yellow packet entitled "[Consolidated Motions for Executive Appropriations Committee](#)" and dated today, March 4, 2016.
- 2) approve the additional sources of finance listed on the green sheet entitled "[Additional One-time and Ongoing Budget Sources, 2016 General Session](#)" and dated today, March 4, 2016.
- 3) approve the budget changes as shown in the salmon packet entitled, "[Approved Funding Items – Executive Appropriations Committee](#)" and dated today, March 4, 2016.

Rep. Briscoe asked that the first motion be divided from the second and third motions.

Co-Chair Sanpei restated the first motion, which was to approve the motions for appropriations subcommittees' fees, intent language, and budgets as shown in the yellow packet entitled "[Consolidated Motions for Executive Appropriations Committee](#)" and dated today, March 4, 2016. The motion passed unanimously.

Co-Chair Sanpei restated the second motion, which was to approve the additional sources of finance listed on the green sheet entitled "[Additional One-time and Ongoing Budget Sources, 2016 General Session](#)" and dated today, March 4, 2016.

SUBSTITUTE MOTION: Rep. Briscoe moved the following changes on the salmon document entitled "Approved Funding Items":

1. On page 1 (BEDL), line 13, I move to strike "STEM Action Center" equal to \$3,000,000 ongoing;
2. On page 6 (PED), line 132, I move to strike "Equity Funding & School Funding Amendments (SB038)" equal to \$20,600,000 ongoing and -\$6,200,000 one-time;
3. On that same page, on line 137, after "Statewide Technology Grant Program (HB0277)", I move to change "\$10,000,000" to "\$6,100,000" in the ongoing column, and "\$5,000,000" to "\$-1,200,000" in the one-time column;
4. Then, on the same page, on line 140, after "WPU Value Increase", I moved to change "\$73,572,600" to "\$101,072,600".

Rep. Briscoe explained that the substitute motion increases the Weighted Pupil Unit (WPU) to 4 percent, which supports local decision making for individual school boards and school districts.

Sen. Hillyard spoke against the substitute motion.

Rep. Briscoe understood that the STEM Action Center currently has \$6.5 million ongoing money. He also noted that the STEM Action Center request was heard in the Business, Economic Development and Labor Appropriations Subcommittee rather than the Public Education Appropriations Subcommittee.

Rep. Briscoe remarked that the WPU is the ultimate grant program and this is why we are seeking to increase the WPU to 4 percent.

A vote was taken on Rep. Briscoe's substitute motion. The motion failed with Sen. Dabakis, Sen. Davis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

SUBSTITUTE MOTION: Rep. King moved on page 5 (NRAEQ) of the salmon document entitled "Approved Funding Items", after line 129, to add a new line for "Water Rights Adjudication Amendments (SB0075)" equal to -\$507,000.

Then, on the salmon document entitled "Approved Funding Items", Rep. King moved the following changes:

1. On page 1 (BEDL), after line 30, add a new line for "Multicultural Youth Leadership Summit" for \$30,000 ongoing;
2. On page 2 (EOCJ), after line 69, add a new line item for "STD Testing in JJS" equal to \$77,000 ongoing;
3. On page 5 (NRAEQ), line 110, after "Air Quality Monitoring", change "200,000" in the ongoing column to "600,000";

Rep. King spoke to the substitute motion. He pointed out that S.B. "Water Rights Amendments" (2016 General Session), which was passed by the House and the Senate, carries a fiscal note that is likely to result in savings of \$507,000. He indicated that the three items identified in the substitute motion were worthy projects and could utilize the saved funds.

Sen. Hillyard spoke against the substitute motion.

Rep. Arent spoke to Air Quality Monitoring. She explained that the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee had funded new monitoring locations as required by the EPA. She pointed out, however, that a significant portion of Utah's current air quality monitoring equipment had exceeded its lifespan or was nonfunctional and needed to be replaced. Rep. Arent stated that Air Quality Monitoring is an important part of the State's Clean Air Program.

Rep. King waived summation and expressed appreciation for Co-Chair Hillyard's remarks.

A vote was taken on Rep. King's substitute motion. The motion failed with Sen. Dabakis, Sen. Davis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

SUBSTITUTE MOTION: Rep. Arent moved on page 1, line 8, of the salmon document entitled, “Approved Funding Items”, after “Hill Air Force Base – Falcon Hill Software Building”, change “21,500,000” in the “one-time” column to “15,291,300”; then on page 4, after line 105, insert a new line for “Environmental Quality Technical Support Center” equal to \$6,208,700 one-time.

Rep. Arent explained that a modern, dedicated technical support center is necessary to improve the efficiency and reliability of our Air Quality Monitoring program. The Environmental Quality Technical Support Center would also serve to protect the security of sensitive monitoring equipment and the safety of those who work there.

Sen. Hillyard responded that the Environmental Quality Technical Support Center was important. However, he felt that it would be a mistake to take the money out of the Falcon Hill Software Building, which would leave insufficient funds to complete the project.

Rep. Arent responded that it would be important to find a funding source for the Environmental Quality Technical Support Center before the end of the Session.

A vote was taken on Rep. Arent’s substitute motion. The motions failed with Sen. Dabakis, Sen. Davis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

SUBSTITUTE MOTION: Rep. Chavez-Houck moved on page 5, line 118, of the salmon document entitled “Approved Funding Items”, to strike “Sage Grouse Listing” equal to \$1,000,000 one-time and on the same page, line 123, moved to strike “Wolves Contract Extension” equal to \$400,000 one-time, then on the previous page, after “Southern Utah University” on line 101, moved to insert a new line for “State Fair Park Planning” equal to \$1,400,000 one-time.

Rep. Chavez-Houck spoke to the substitute motion. She explained that since last summer, the Fair Park Working Group had been discussing ways to provide the State Fair with the resources it would need to move into a new century and be responsive to the needs of the community. Rep. Chavez-Houck felt that planning money would help the State Fair Park move forward in a good direction. In making the motion to strike “Sage Grouse Listing” and “Wolves Contract Extension,” she also took into consideration some ongoing concerns related to the accountability and transparency of those projects.

Sen. Hillyard spoke against the substitute motion.

Rep. Chavez-Houck encouraged the Committee’s support.

A vote was taken on Rep. Chavez-Houck’s substitute motion. The motion failed with Sen. Dabakis, Sen. Davis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

SUBSTITUTE MOTION: Sen. Mayne moved on the green sheet entitled “Additional One-time and Ongoing Sources”, on line number 14, after “Transportation Earmark Shift to Education”, to strike “\$8,927,400” and replace it with “10,000,000”.

Sen. Mayne moved on the salmon, sheet entitled “Approved Funding Items”, on page 1, after line 30, to insert a new line for “Labor Commission Outreach and Education” equal to \$72,600 ongoing; then on page 3, after line 91, moved to insert a new line for “University of Utah Dental School” equal to \$1,000,000 ongoing.

Sen Davis explained that the substitute motion increases the “Transportation Earmark Shift to Education” to \$10 million, which is consistent with what the Governor had recommended. He pointed out that the increase was agreeable to the Utah Department of Transportation (UDOT).

Sen. Hillyard spoke against the substitute motion.

Sen. Mayne appreciated Sen. Hillyard’s comments. She also felt that the “Transportation Earmark Shift to Education” could be easily done.

A vote was taken on Sen. Mayne’s substitute motion. The motion passed in the Senate with Sen. Hillyard voting in opposition, and failed in the House with Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

SUBSTITUTE MOTION: Sen. Escamilla moved to include the following intent language in the Capital Improvements line item:

“The Legislature intends that the State Building Board and Division of Facilities Construction and Management allocate \$3,000,000 from Capital Improvements funding provided by this item to the Utah State Fair Park.”

Sen. Escamilla stressed the importance of making capital improvements to facilities that have not been taken care of for the last twenty years. She stated that the Utah State Fair Park is a nonpartisan issue that has been openly discussed and needs the support of the State.

Sen. Hillyard noted that the Capital Improvement Fund had been increased this year up to the 1.1 percent level required by state law and that the Utah State Fair Park would qualify as a building under the normal distributions from that fund. He pointed out that capital improvement funding can only be for \$2.5 million or less and that anything above that amount would have to go through a different process. For those reasons, Sen. Hillyard spoke against the substitute motion.

Sen. Escamilla said that she had worked closely with Sen. Van Tassell on his legislation, which is moving forward without opposition. Her concern was that the requests that were made for the Utah State Fair Park were not funded in the budget.

A vote was taken on the substitute motion. The motion failed with Sen. Dabakis, Sen. Davis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

SUBSTITUTE MOTION: Sen. Mayne moved to appropriate \$200,000 from the Transportation Fund, one-time in FY 2017 to the Department of Transportation – Safe Routes line item for the Tess Avenue Sidewalk Project, with the following intent language:

“The Legislature intends that the Department of Transportation use \$200,000 provided by this item for Tess Avenue Sidewalk Improvements.”

Rep. Mayne spoke to the substitute motion. She explained that there are no sidewalks on many of the roadways in West Valley, which is unsafe for children and for cars.

Sen. Hillyard pointed out that the Infrastructure and General Government Appropriations Subcommittee had recommended the Tess Avenue Sidewalk Project but it wasn't high on the priority list. In addition, he was not sure how UDOT handles these types of requests and would need more information about the process before finishing up the budget next Wednesday.

Sen. Mayne thought the Tess Avenue Sidewalk Project request was ranked higher on the IGG priority list. She felt that the funding for this project was really needed.

A vote was taken on Sen. Mayne's substitute motion. The motion failed with Sen. Dabakis, Sen. Davis, Sen. Escamilla, Sen. Mayne, Rep. Arent, Rep. Briscoe, Rep. Chavez-Houck, and Rep. King voting in favor of the motion.

Sen. Escamilla asked to share some comments on the Access and Affordability program that was removed from the Higher Education budget. She noted that a number of students from her district were driving to Utah Valley University (UVU) to take advantage of the Access and Affordability program that UVU is providing. Sen. Escamilla encouraged her legislative colleagues to come up with some ideas on how to keep the program in place at UVU.

Co-Chair Sanpei restated the second and third motions, which are to approve the additional sources of finance listed on the green sheet entitled “[Additional One-time and Ongoing Budget Sources, 2016 General Session](#)” and dated today, March 4, 2016, and to approve the budget changes as shown in the salmon packet entitled, “[Approved Funding Items – Executive Appropriations Committee](#)” and dated today, March 4, 2016. The motion passed unanimously.

Sen. Davis asked to explain his vote. He explained that there are a number of issues that should be addressed if not this year, then next year. Sen. Davis expressed his appreciation for the process and believes that the subcommittees probably did the best they could with the funding that was given to them. He felt that it would be of key importance to find more money for the Weighted Pupil Unit.

MOTION: Sen. Hillyard moved to authorize legislative staff to draft the following bills:

- House Bill 2, New Fiscal Year Supplemental Appropriations Act;
- House Bill 4, Current School Year Supplemental Public Education Budget Adjustments;
- Senate Bill 2, Public Education Budget Amendments;
- Senate Bill 3, Current Fiscal Year Supplemental Appropriations; and
- Senate Bill 8, State Agency and Higher Education Compensation Appropriations

as Executive Appropriations Committee bills. The compensation bill will include funding equivalent to a 2% general salary increase plus funding for a 7.3% rate increase for health insurance benefits for state executive branch and higher education employees, funding equivalent to a 2% cost of living adjustment for discretionary increases in the legislative and judicial branches and constitutional officers, retirement rate changes for certain state employees as recommended by URS, funding reductions for unemployment compensation and workers compensation to reflect rate reductions, and adjustments to termination pools as recommended by the Board of Trustees of the State Post-Retirement Benefits Trust. In consultation with the co-chairs of the Executive Appropriations Committee, the Legislative Fiscal Analyst may make any technical changes necessary, including balancing between funds and fiscal years in order to balance the overall budget.

The motion passed unanimously.

4. Other Business/Adjourn

MOTION: Sen. Hillyard moved to adjourn. The motion passed unanimously.

Co-Chair Sanpei adjourned the meeting at 7:13 p.m.